

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7386

BILL NUMBER: HB 1351

NOTE PREPARED: Jan 20, 2015

BILL AMENDED:

SUBJECT: Restrictions on Rulemaking.

FIRST AUTHOR: Rep. Wolkins

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill voids state administrative rules, guidelines, and other policies or standards that are not specifically authorized by state statute or do not implement a federal requirement. It establishes the Office of Regulatory Accountability in the Legislative Services Agency to review administrative rules for compliance with regulatory goals specified by the General Assembly.

Effective Date: July 1, 2015.

Explanation of State Expenditures: *Rulemaking:* This bill provides that rules adopted that are not specifically authorized by state statute or do not implement federal requirements are void. However, such rules would not be considered voided until the earlier of either of the following: the date the rules are repealed or amended to bring them into conformity with this bill; or July 1, 2016. This provision could affect state and local expenditures and revenues to the extent that it may void and prohibit the imposition of rules that could generate more or less revenue or spending by state and local governments. The impact is indeterminable and would depend on the nature and number of rules affected by this bill.

Office of Regulatory Accountability (ORA): This bill establishes the Office of Regulatory Accountability (ORA) within the Legislative Services Agency. The estimated annual cost of the ORA could be about \$475,000. The estimate includes the cost of salary and fringe benefits for five employees and rent for office space. The Legislative Services Agency is funded through General Fund appropriations.

Additional Information - The ORA would review each proposed and emergency rule submitted to the Indiana Register as well as review each adopted rule submitted to the Attorney General to ensure the rules comply

with this bill's requirements and the standards in IC 4-22-2-19.5. The ORA would have 30 days after receiving rules to submit any findings to the adopting agency, the Attorney General, the Office of Management and Budget, and the Small Business Ombudsman.

The Joint Committee on Agency Rule Review (JCARR) within the Ohio General Assembly is a similar office to the ORA proposed by this bill. JCARR reported actual expenditures of about \$400,000 during FY 2014. For FY 2015, JCARR was appropriated about \$460,000 for operating expenses. JCARR is staffed by five employees.

Explanation of State Revenues: *Rulemaking: See Explanation of State Expenditures above.*

Explanation of Local Expenditures: *Rulemaking: See Explanation of State Expenditures above.*

Explanation of Local Revenues: *Rulemaking: See Explanation of State Expenditures above.*

State Agencies Affected: Rulemaking agencies; Legislative Services Agency.

Local Agencies Affected:

Information Sources: Ohio Administrative Knowledge System, Detailed Appropriation Summary by Fund, June 30, 2014; LSC Greenbook, Analysis of the Enacted Budget, Joint Committee on Agency Rule Review, Legislative Service Commission, July 2013.

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